AUG - 3 2001

Eugene Bruno, Team Manager, LMSB CTM Group 1342 Attn: Joyce M. Costello, Revenue Agent

James C. Fee, Jr. Associate Area Counsel (LMSB) TL-N-4188-01 JEBecker, Jr.

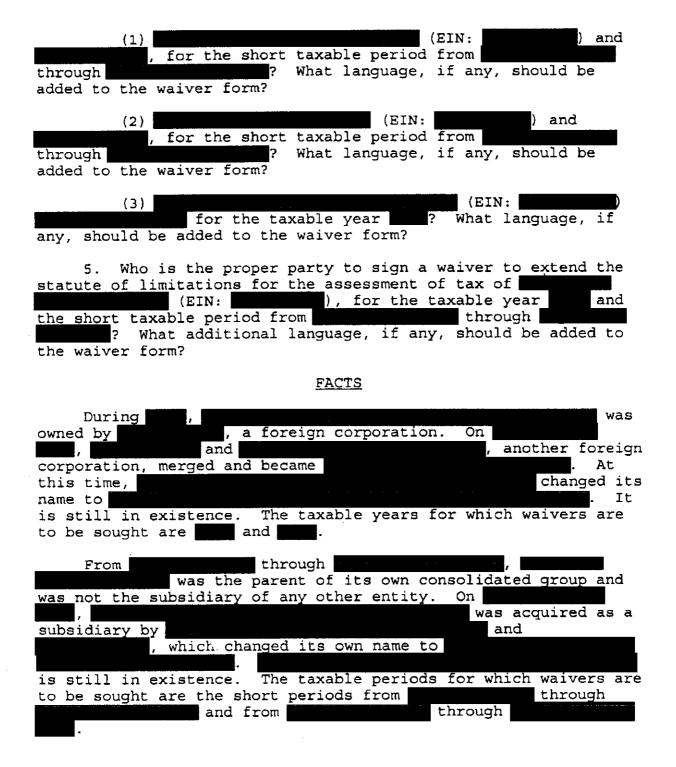
Nondocketed Case Advice
Form 872 language

This memorandum responds to your request for advice in connection with the solicitation of waivers to extend the statute of limitations to assess tax on various corporations for various taxable periods. This memorandum should not be cited as precedent.

This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney client privilege. If disclosure becomes necessary, please contact this office for our views.

ISSUES

- 1. Is Form 872-I the proper form to use to extend the statute of limitations for all LMSB corporations?
- 2. Who is the proper party to sign a waiver to extend the statute of limitations for the assessment of tax for the taxable years and of the statute of tax for the taxable years and of the statute of tax for the taxable years and the statute of tax for the taxable years and taxable of tax for the taxable years and tax
- 3. Who is the proper party to sign a waiver to extend the statute of limitations for the assessment of tax for the short taxable periods from through of and from (EIN:) What language, if any, should be added to the waiver form?
- 4. Who is the proper party to sign a waiver to extend the statute of limitations for the assessment of tax of:



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DISCUSSION

A few basic principles apply to the situations which you have presented to us. A corporation which is the highest tier domestic corporation and the parent of a consolidated group is the proper party to extend the statute of limitations for itself and that group for the years during which that status continues, even though such corporation later joins another consolidated group as a subsidiary. Where a corporation merges into another corporation and the other corporation survives, the other corporation, which is the successor in interest to the first corporation, is the proper party to extend the statute of limitations for the years of the first corporation prior to the merger. Consideration must also be given to the transferee liability of the other corporation for the taxes of the first corporation. A stand-alone corporation remains the proper party to extend the statute of limitations for its stand-alone years, even if the stand-alone corporation later joins a consolidated group.

CONCLUSIONS

1. It is our understanding that a Form 872-I should be used

The following conclusions are based solely upon the facts which you presented to us.

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To preserve the statute of limitations for transferee liability, a Form 2045 (Transferee Agreement) and a Form 977 (Consent to Extend the Time to Assess Liability at Law or in Equity for Income, Gift, and Estate Tax Against a Transferee or Fiduciary) should be sought from for and for

(EIN:) for the taxable year and for the short period from through since it directly from it. The fact that after became a subsidiary of part of that consolidated group is irrelevant to the periods prior to that date.

If you have any questions concerning this memorandum, please call Attorney John E. Becker, Jr. at 215-597-3442.

Our advice is subject to the Office of Chief Counsel's ten day post-review procedures. If the Office of Chief Counsel alters or revises our advice they will contact us within ten working days from their receipt of our advice.

JAMES C. FEE, JR. Associate Area Counsel (LMSB)

cc: Senior Legal Counsel (HQ) Harve M. Lewis
Associate Area Counsel (PFTG) Michael P. Corrado
Associate Chief Counsel (Procedure and Administration)
Technical Services Section